

**DOES FINANCIAL HARDSHIP EXPLAIN DIFFERENCES
BETWEEN BELGIAN AND SOUTH AFRICAN
UNEMPLOYED REGARDING EXPERIENCES OF
UNEMPLOYMENT, EMPLOYMENT COMMITMENT,
AND JOB SEARCH BEHAVIOUR?**

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The purpose of this study was to investigate whether Belgian and South African unemployed differed regarding three psychological dimensions of unemployment: affect (experiences of unemployment), attitudes (employment commitment), and behaviour (job search intensity). Moreover, we expected country of residence to indirectly influence unemployed people's experiences, employment commitment, and job search intensity via financial hardship. A cross-sectional survey design was used to test our hypotheses. Data were sampled from unemployed people in the Brussels area in Belgium ($N = 305$), and the Potchefstroom area in South Africa ($N = 381$). The results indicated that, compared to the Belgian unemployed, the South African unemployed experienced their unemployment as more negative, were more committed towards employment and more intensively searched for work. Moreover, country of residence indirectly influenced unemployed people's experiences, employment commitment, and job search intensity via financial hardship. Some policy recommendations are suggested.

Introduction

Unemployment is a serious problem facing both Belgium and South Africa. Nevertheless, both countries differ regarding their level of unemployment. In South Africa, the unemployment rate has raised from 13 per cent in 1993 to 26 per cent in 2007, and has currently stabilised around 25 per cent (Contogiannis, 2007; National Planning Commission, 2011). This is three times higher compared to Belgium, which had to deal with an unemployment rate of 8.4 per cent in 2010 (EuroStat, 2010). Hence, especially for South Africa unemployment will remain an immense challenge in the years to come (De Witte, Rothmann, and Jackson, 2012; National Planning Commission, 2011).

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The unemployed are generally defined as those above a specific age who during the reference period were without work, were available for work, and have taken active steps to seek paid employment or self-employment (ILO, 2000). However, work availability is not necessarily a prerequisite for actual job search behaviour. For instance, South Africa faces an extremely high percentage of so called discouraged workers (Contogiannis, 2007; National Planning Commission, 2011). Research however suggests no unwillingness to work among these unemployed. Rather, their active search is discouraged by low prospective returns to search (Kingdon & Knight, 2006). Moreover, some of the unemployed may even deliberately choose to remain unemployed. In Belgium, for example, some young women withdraw from the labour market for a longer period (e.g., for child-rearing). In general, this type of unemployed women show limited work involvement and experience few psychological problems (De Witte & Wets, 1993). Hence, the unemployed should be investigated not only in terms of their job search behaviour, but also in terms of their unemployment experience and their employment commitment. This may lead to more tailor-made unemployment policies which might better fit the experiences, aspirations, and expectations of the unemployed.

De Witte, Hooge and Vanbelle (2010) developed a model to compare the unemployed based on three psychological dimensions: affect (experiences of unemployment), attitudes (employment commitment), and behaviour (job search behaviour). The primary aim of the present study is to explore the differences between the Belgian and the South African unemployed in terms of experiences, employment commitment, and job search behaviour. A reason to suspect such differences may be the relative absence of a formal unemployment support system in South Africa, as opposed to Belgium, leading to increased poverty among South African unemployed (Klasen & Woolard, 2008). To date, the role of state support systems in mediating the impact of unemployment have not been thoroughly investigated, leading to limited understanding of the psychological consequences of unemployment across countries with varying unemployment policies (Nordenmark, Strandh, & Layte, 2006). Yet, the availability of financial resources enables the unemployed to participate in daily live (Mohr & Otto, 2011). Therefore, a secondary aim is to investigate whether country of residence indirectly influences unemployed people's experiences, employment commitment, and job search behaviour, via the availability of financial resources.

Financial Hardship and the Role of State Support Systems

Despite an economic growth of around 5 per cent since 2004, South Africa still faces increasing poverty and extreme inequality (Contogiannis, 2007). In 2008, about 48 per cent of the South African population lived beneath the

poverty line of earning two dollar a day (National Planning Commission, 2011). According to Nordenmark *et al.* (2006), the most important determinant of financial strain is the amount of state support in unemployment. Yet, a comprehensive unemployment support system targeted at the South African unemployed is missing (Klasen & Woolard, 2008). Roughly, two types of benefit systems exist (Nordenmark *et al.*, 2006). Income replacement benefits provide the unemployed with a certain percentage of the previous income, while flat rate benefits are more equalised and usually granted for a limited period only. Belgium's unemployment support system combines aspects of both benefit regimes. The exact amount of one's unemployment benefits depends on last salary, marital status, and number of dependants. After a certain period, the unemployed fall back on a flat rate benefit regime for as long as one stays unemployed. Unlike in Belgium, the South African unemployed only receive limited financial support from the government for a short moment in time. Non-contributory old age pensions are the only other source of social security in South Africa (Ardington & Lund, 1995; Case & Deaton, 1998). According to Klasen and Woolard (2008), access to this type of state transfer plays a crucial role in the build-up of private safety nets among South African households. However, while not all unemployed are covered by this safety net, those who do benefit from it may pull the supporting households down into a negative spiral of sustained poverty (Klasen & Woolard, 2008). Therefore, it should come as no surprise that financial strain is one of the most important chronic stressors among the South African unemployed (Ribton-Turner & De Bruin, 2006).

Welfare regime theory (Gallie & Paugam, 2000) predicts fewer lower incomes and poverty spells in countries that offer universal income replacements benefits compared to countries where such unemployment benefits are not accessible (Fouarge & Layte, 2005). Moreover, meta-analytic research by Paul and Moser (2009) indicates that the harmful effects of unemployment are linked to the degree of unemployment protection in those countries, while other studies suggest a strong positive relationship between disposable household income and health and well-being (Diener, Diener, & Diener, 1995; Fritzell, Nermo, & Lundberg, 2004). Thus, the available research suggests that whether or not the unemployed can draw from sufficient financial resources could have serious consequences for the way they cope with unemployment.

How Financial Hardship Affects the Unemployed

Negative experiences of unemployment

According to Jahoda's latent deprivation model (Jahoda, 1982), unemployment does not only have an impact on the manifest function of work (i.e.,

gaining an income), but also impairs five latent functions of employment. These functions correspond to basic human needs and include regular social contact, daily time structure, participation in collective purpose, enforcement of regular activity, and information about personal identity (Jahoda, 1982). Whilst extant literature supports Jahoda's latent deprivation theory (Creed & Macintyre, 2001; Hoare & Machin, 2010; Nordenmark, 1999; Paul & Batinic, 2010), it also indicates that the latent functions of employment can be (partially) provided through activities other than paid employment. For example, people with purposive and structured leisure-time activities seemed to experience their unemployment more positively (Martella & Maass, 2000; McKee-Ryan, Song, Wanberg, & Kinicki, 2005). Especially people who deliberately choose for housework or voluntary work seem to benefit from this type of work as long as they stay involved (Mohr & Otto, 2011; Nordenmark, 1999). However, this only seems reasonable for people who encounter limited financial problems during their unemployment period. Research indeed suggests financial hardship to be one of the most prominent stressors during unemployment (Creed & Macintyre, 2001; Creed & Bartum, 2008; McKee-Ryan et al., 2005; Price, Choi, & Vinokur, 2002; Rantakeisu & Jönsson, 2003). According to Fryer's agency theory (1986; 1997), this may be because progressive financial deprivation and increasing poverty severely restrict the human desire for planning and purposeful action.

According to Conservation of Resources (COR) theory (Hobfoll, 1989, 2002), individuals try to preserve, protect and enlarge resources in biological, cognitive and social domains. Resources can be thought of as any objects, conditions, characteristics or energies that are important to the individual. While those with resources are less likely to be negatively affected by stressful circumstances, they are also more capable of dealing with stressful events when they do occur. Based upon agency theory and COR theory, one might expect that financial resources are crucial when it comes to unemployment. Indeed, financial resources increase access to other important resources, which allow the unemployed to satisfy basic human needs (McKee-Ryan et al., 2005). Loss of such an important resource might therefore strongly affect unemployed people's experiences.

Employment commitment

Employment commitment, also often referred to as work involvement or work-role centrality (McKee-Ryan et al., 2005), is usually defined as "the extent to which a person wants to be engaged in paid work" (Warr, Cook, & Wall, 1979, p. 130). It indicates the general importance of the work role to an individual's sense of self (McKee-Ryan et al., 2005).

Studies consistently suggest that people's work-role centrality decreases in countries facing low unemployment rates and high financial prosperity (Wielers & Koster, 2011; Wielers & Raven, 2009). Moreover, international research by Furnham *et al.* (1993) indicated that work seemed to be less important in Western countries (e.g., United Kingdom) compared to developing countries (e.g., South Africa). Based on a scarcity hypothesis (Inglehart, 1990), one might expect that widespread financial deprivation will lead to an increased appreciation of any source that may increase unemployed people's depleted financial resources. Often, however, paid employment is the only possible way out of the very precarious economic situation most unemployed people find themselves in. Therefore, structural financial deprivation might foster unemployed people's instrumental employment attitudes out of mere economic reasons, and hence increase their willingness to be engaged in paid work.

Job search behaviour

Research generally indicates financial deprivation to be an important determinant of job search behaviour, with higher financial needs leading to more job search behaviour (Kanfer, Wanberg, & Kantrowitz, 2001; Šverko, Galić, Seršić, & Galešić, 2008; van Hoof, Born, Taris, van der Flier, & Blonk, 2004).

Affluence may be considered an important and highly valued resource. According to COR theory (Hobfoll, 1989, 2002), depletion of one's financial resources may be seen as a stressful event and hence trigger psychological distress (e.g., Creed & Macintyre, 2001; Creed & Bartum, 2008; Price *et al.*, 2002). Progressive financial deprivation due to unemployment could therefore be expected to motivate the unemployed to restore its depleted financial resources, by encouraging job search behaviour. Moreover, according to cognitive dissonance theory (Festinger, 1957), people strive to reach consensus between personal values and expectations on the one hand, and their behaviour on the other. Any discrepancy between personal values and behaviour will trigger negative emotions, which can only be relieved by either changing their behaviour or adjusting their ideas and expectations (Festinger, 1957). Because financial resources are generally considered to be an important asset, experiencing progressive financial losses while at the same time making no attempt to prevent these losses should trigger a state of psychological discomfort among the unemployed. Hence, this may motivate the unemployed to search for a job in order to relieve the dissonant feelings (Elliot & Devine, 1994).

Research Objectives and Hypotheses

With this study we investigate whether there are any differences between Belgian and South African unemployed regarding three psychological dimensions of unemployment: negative experiences, employment commitment, and job search behaviour. Moreover, we study whether country of residence indirectly influences unemployed people's negative experiences, employment commitment, and job search behaviour via the availability of financial resources. More specifically, we hypothesise the following:

- Hypothesis 1:* South African unemployed experience greater financial hardship compared to Belgian unemployed (*H1*)
- Hypothesis 2:* Compared to Belgian unemployed, South African unemployed experience their unemployment as more negative, are more committed towards employment, and display more job search behaviour (*H2*)
- Hypothesis 3:* Country of residence indirectly influences unemployed people's negative experiences, employment commitment, and job search behaviour via financial hardship (*H3*)

Method

Data-collection and Procedure

Belgian data were collected in collaboration with the Vlaamse Dienst voor Arbeidsbemiddeling (VDAB; Flemish service for employment mediation) as part of a reintegration policy for unemployed people in one municipality (Sint-Pieters-Leeuw) in the Brussels area. From September to late November 1998, participants were asked to fill out a questionnaire including questions about unemployed people's affective experiences, attitudes towards work, and job application behaviour. South African data were collected in June 2006 as part of a larger project on unemployment in the North West Province.

Participants were asked to fill out "The Experience of Unemployment Questionnaire" (EUQ) based on the questionnaire of De Witte and Hooge (1999) and De Witte et al. (2010). The EUQ is divided into four sections. The first section gathers demographic information, including gender, marital status, and level of education. The next three sections measure the three psychological dimensions of unemployment (i.e., affective experiences, attitude towards work, and job application behaviour). Professional translators translated the EUQ into Afrikaans and Setswana. A process of back-translation (Brislin, 1970) was used to make sure that the meaning of the words was the same in both languages. Furthermore, the face validity of the translated questionnaires was inspected. Eventually, the questionnaires were administered

by three Afrikaans-, English-, and/or Tswana-speaking fieldworkers, using a randomly door-to-door selection procedure (Alreck & Settle, 2004). The questionnaires were administered anonymously, for both the Belgian and South African unemployed, to secure the reliability and validity of the data. Participation was voluntary in both studies.

Participants

The total sample ($N = 686$) comprises 381 South African participants (54.3 per cent Coloureds; 24.1 per cent Blacks; 21.5 per cent Whites) and 305 Belgian participants, all of them unemployed at the moment of the study. Most of the South African participants were male (54 per cent), while most of the Belgian participants were female (65.8 per cent). Mean age was 30.7 years ($SD = 10.96$) in the South African sample and 39.1 years ($SD = 9.99$) in the Belgian sample. Only 7.7 per cent held a higher educational degree in the South African sample (higher education or university), compared to 12.7 per cent in the Belgian sample. Furthermore, 41.8 per cent was short-termed unemployed (less than one year) in the Belgian sample, compared to only 27.2 per cent in the South African sample. When looking at marital status and number of dependents, the majority of the South African participants (76.9 per cent) indicated to live alone, while 41.5 per cent indicated to have two or more dependents. In the Belgian sample, only 28.9 per cent of the respondents indicated to live alone, while 31 per cent indicated to have two or more dependents. A Pearson chi-square test revealed that gender, age, level of education, unemployment duration, marital status, and number of dependents all differed by country ($p \leq .001$).

Measures

Independent variables

Country of residence was dummy coded with 0 = Belgium and 1 = South Africa. *Financial hardship* was measured by a single item. Respondents had to indicate on a 3-point Likert scale ranging from “never” (scored 0) to “often” (scored 2) how often they experienced difficulties to survive financially because of not having a job (McKee-Ryan *et al.*, 2005). A higher score indicated more perceived financial hardship.

Dependent variables

Negative experiences of unemployment was assessed by a set of six items, each measured on a 3-point Likert scale ranging from “never” (scored 0) to “often” (scored 2). The items were developed based upon Jahoda’s (1982)

latent deprivation model (De Witte & Hooge, 1999). Item examples are “There is more conflict at home since I am unemployed” and “It feels as if I am no longer part of society”. Participants’ responses were summed together to create one global measure of negative experiences of unemployment (Cronbach’s $\alpha = .86$). Scale values ranged from 0 (minimum) to 12 (maximum). A higher score indicated a more unfavourable experience of unemployment.

Employment commitment was measured with a set of six items. Respondents were asked to indicate on a 3-point Likert scale ranging from “disagree” (scored 0) to “agree” (scored 2) whether they complied with six statements about the importance of work in their lives. The items were developed based upon the Employment Commitment Scale (Warr et al., 1979). Item examples are “Going to work gives me a feeling of doing something meaningful with my life” and “It is better to accept any job than to be unemployed”. Participants’ responses were summed together to create one global measure of employment commitment (Cronbach’s $\alpha = .79$). Scale values ranged from 0 (minimum) to 12 (maximum). A higher score indicated a higher commitment towards employment.

Job search behaviour was measured by three items. Respondents had to indicate on a 5-point Likert scale ranging from “never” (scored 0) to “ten times or more” (scored 4) how often they engaged in three distinct job search activities during the past three months (De Witte & Hooge, 1999). By focusing on different types of job search behaviour we probed for job search intensity, which is less prone to exaggeration, central tendency, and negative leniency compared to the broader effort measures (Kanfer et al., 2001). Item examples are “Asked friends, family or acquaintances if they were aware of any work” and “Submitted applications arising from advertisements”. Participants’ responses were summed together to create one global measure of job search behaviour (Cronbach’s $\alpha = .71$). Scale values ranged from 0 (minimum) to 12 (maximum). A higher score indicated more intense job search behaviour over the past three months.

Table 1 reports the factor loadings for the three psychological dimensions of unemployment. The three-component model explained 57.60% of the total variance, whereas Cronbach’s alpha scores exceeded the cut-off point of .70 for all three subscales (Field, 2005).

Control variables

Given the differences between both countries regarding age, gender, level of education, unemployment duration, marital status, and number of dependents, these variables were controlled for during all analyses. *Age* was measured in years on a continuous scale. *Gender* was dummy coded with 0 = male and 1 = female. *Level of education* was dummy coded as “secondary” (with 1

Table 1
Factor Loadings, Communalities (h^2), and Percentage Variance explained for Principal Components Analysis (Varimax Rotation with Kaiser Normalisation) on Items of EUQ

	Psychological Dimensions of Unemployment			
	Affect	Attitude	Behaviour	h^2
Decreased self-worth	.80	.20	.08	.68
Lost self confidence	.79	.10	.02	.64
Feel life is empty	.73	.30	.10	.64
No longer part of society	.73	.23	.10	.60
More conflict at home	.70	.19	.13	.54
Uncertain about future	.68	.14	.09	.49
Work is most important aspect in life	.26	.71	.07	.58
Work contributes to a meaningful life	.10	.69	.16	.52
Find it important to have work	-.01	.69	.10	.48
Any job is better than unemployment	.36	.64	.06	.54
Enjoy leisure time only if worked for	.26	.63	-.01	.46
Need to work to be really part of society	.41	.62	-.05	.55
Submitted applications	.13	.13	.83	.72
Searched for advertisements	-.05	.01	.81	.66
Asked others whether work was available	.25	.13	.69	.56
Percentage variance explained	25.29	19.47	12.84	57.60
<i>Cronbach's alpha</i>	.86	.79	.71	-

= secondary, and 0 = other), “higher” (with 1 = higher, and 0 = other), and “university” (with 1 = university, and 0 = other). “No diploma/primary education” served as a reference group. *Duration of unemployment* was dummy coded with 0 = less than one year and 1 = one year or longer. *Marital status* was dummy coded with 0 = single and 1 = married/cohabiting. *Number of dependents* was dummy coded as “one dependent” (with 1 = one dependent, and 0 = other) and “two or more dependents” (with 1 = two or more dependents, and 0 = other). “No dependents” served as a reference group.

Statistical Analyses

Structural equivalence test

We tested for structural equivalence to make sure that our outcome variables could be compared meaningfully between the Belgian and South African samples (Poortinga, 1989; Van de Vijver & Leung, 1997; Van de Vijver & Rothmann, 2004). A factor analysis (forced three factor solution with varimax rotation) was conducted on the proposed 15 items (experiences, 6 items;

attitudes, 6 items; behaviour, 3 items) of the Belgian and South African samples. The equivalence between the three factors (experiences, commitment, and behaviour) was compared by means of a factor congruence coefficient, Tucker's Phi. According to Van de Vijver and Leung (1997), factor structures can be meaningfully compared between groups if the Tucker's phi reaches values as high as .90 (essential equivalence) or preferably .95 (high equivalence). Tucker's phi values ranged from .94 to .97 when comparing the Belgian sample to the pooled South African sample. The results point to universal validity on our three outcome measures across countries, and hence allow comparisons between the Belgian sample and the pooled South African sample.

Hypotheses testing

A cross-sectional survey design was used to test our three hypotheses. Statistical analyses were conducted using the SPSS statistics 19.0 program. ANOVA was used to assess country differences in terms of financial hardship. MEDIANE was used to assess direct and indirect effects of country of residence on negative experiences of unemployment, employment commitment, and job search behaviour. Using confidence intervals, this macro for SPSS estimates the indirect effects of X on Y through one or more mediator variable(s) M (Preacher & Hayes, 2008). Percentile bootstrap confidence intervals (95% CI with 10000 resamples) were used to assess whether indirect effects were different from zero (Preacher & Hayes, 2009). Kappa-squared (k^2) values were calculated to estimate the level of significance of the indirect effect sizes. According to Preacher and Kelly (2011), k^2 values can be interpreted in the same way as the determination coefficient (R^2). Therefore, and in line with Cohen (1988), cut-off points for k^2 values are set at .01 (small effect), .09 (medium effect), and .25 (large effect), respectively.

Results

Descriptive Statistics

Table 2 reports the descriptive statistics for the Belgian and the South African sample and the correlations between the research variables for the overall sample. On average, the Belgian respondents scored above the midpoint on the financial hardship and employment commitment scale, and around the midpoint on the job search intensity scale. The Belgian respondents furthermore obtained a score below the midpoint on the negative experiences of unemployment scale. The South African respondents obtained scores above the midpoint on all four scales. Furthermore, negative experiences of unem-

ployment, employment commitment, and intensity of job search behaviour were all positively inter-correlated, and also correlated positively with perceived financial hardship.

Table 2
Descriptive Statistics for Belgium / South Africa and overall Sample Correlations

Variable	Mean	SD	1	2	3	4
1. Financial hardship	1.19 / 1.63	0.81 / 0.62	-			
2. Negative experiences	4.79 / 8.15	3.49 / 3.35	.47*	-		
3. Employment commitment	7.63 / 10.13	3.07 / 2.29	.35*	.57*	-	
4. Job search intensity	5.93 / 8.13	3.53 / 3.40	.19*	.25*	.22*	-

* Correlation is significant at the .01 level (2-tailed)

Inferential Statistics

Differences on financial hardship

Country differences regarding financial hardship were assessed using ANOVA (Field, 2005). Of the control variables, only marital status had a significant influence on financial hardship. Unemployed singles perceived more financial hardship compared to married and/or cohabiting unemployed ($F(1, 589) = 9.81, p \leq .001$). On average, the South African unemployed ($M = 1.61$) perceived more financial hardship compared to the Belgian unemployed ($M = 1.24$), although the effect size was small ($F(1, 589) = 27.45, p \leq .001, \eta^2 = .05$). Hence, hypothesis one is supported by the data.

Direct effects on experiences, commitment, and behaviour

The direct effects of the control variables, independent variable (country of residence), and proposed mediator (financial hardship) on the three dependent variables (negative experiences, employment commitment, and job search intensity) are reported in Table 3.

Of the control variables, only level of education had a significant influence on the three outcome measures. Compared to those with no diploma/primary education only, those who finished secondary education experienced their unemployment less negative ($\beta = -0.72, p \leq .05$), were less committed towards employment ($\beta = -1.15, p \leq .001$), and displayed more intense job search behaviour ($\beta = 1.32, p \leq .001$). Those who finished higher education were less committed towards employment ($\beta = -1.44, p \leq .01$) and searched more intensively for work ($\beta = 1.46, p \leq .05$), while holding a university's degree only had a positive influence on unemployed people's job search intensity ($\beta = 1.59, p \leq .05$).

Table 3
Direct Effects on Experiences, Commitment, and Behaviour

Variables	Psychological Dimensions of Unemployment		
	Negative experiences	Employment commitment	Job search intensity
<i>Constant</i>	3.08	7.62	5.67
<i>Control variables</i>			
Age	-0.001	0.01	-0.03
Gender	-0.29	-0.25	-0.19
Secondary education	-0.72*	-1.15***	1.32***
Higher education	-0.99	-1.44**	1.46*
University	-1.12	-1.04	1.59*
Duration of unemployment	0.07	-0.22	-0.26
Marital status	0.47	-0.46	0.12
One dependent	-0.05	-0.12	-0.51
More dependents	0.18	0.04	-0.34
<i>Independent variable</i>			
Country of residence	2.59***	1.97***	1.86***
<i>Mediator</i>			
Financial hardship	1.90***	0.88***	0.58**
<i>R</i> ²	.32	.27	.16
<i>Adjusted R</i> ²	.31	.25	.14
<i>F</i>	22.53	17.89	9.39
<i>df</i>	11/524	11/545	11/560

Notes. Unstandardised coefficients, * $p \leq .05$; ** $p \leq .01$; *** $p \leq .001$

In line with hypothesis two, country of residence had a significant influence on unemployed people's negative experiences, employment commitment, and job search intensity. Compared to the Belgian unemployed, the South African unemployed experienced their unemployment as more negative ($\beta = 2.59, p \leq .001$), were more committed towards employment ($\beta = 1.97, p \leq .001$), and more intensively searched for work ($\beta = 1.86, p \leq .001$).

Finally, financial hardship was positively associated with our three outcome measures. Those who reported more difficulties to survive financially also experienced their unemployed as more negative ($\beta = 1.90, p \leq .001$), were more committed towards employment ($\beta = 0.88, p \leq .001$), and reported more intense job search behaviour ($\beta = 0.58, p \leq .01$). To ascertain that financial hardship did not relate differently to unemployed people's experiences, commitment, and behaviour in Belgium versus South Africa, we additionally tested for the moderating role of country of residence on the link between financial hardship and our three outcome measures. The results are reported in Table 4. In line with our previous results, both a main effect of financial

hardship and country of residence emerged. However, the moderation effect of country of residence on the link between financial hardship and unemployed people’s experiences, commitment, and behaviour was non-significant. This suggests that financial hardship has the same impact on Belgian and South African unemployed people’s negative experiences, employment commitment, and job search intensity. Hence, the relationship between financial hardship on the one hand and experiences, commitment, and behaviour on the other does not seem to relate differently in both countries.

Table 4
Moderating Role of Country of Residence on the Link between Financial Hardship and Experiences, Commitment, and Behaviour (ANOVA)

	Test of between-subjects effects					
	Experiences		Commitment		Job search intensity	
	<i>F</i>	η^2	<i>F</i>	η^2	<i>F</i>	η^2
Financial Hardship (FH)	38.67***	.14	13.06***	.05	4.21*	.02
Country of Residence	54.08***	.10	47.27***	.09	25.70***	.05
FH x Country	0.83	.003	0.90	.004	1.54	.006

Note. * $p \leq .05$; ** $p \leq .01$; *** $p \leq .001$

Indirect effects on experiences, commitment, and behaviour via financial hardship

Table 5 reports lower CIs (LCIs) and upper CIs (UCIs) for the indirect effects of country of residence on unemployed people’s negative experiences, employment commitment, and job search intensity via financial hardship.

Table 5
Indirect Effects of Country of Residence on Experiences, Commitment, and Behaviour via Financial Hardship

	Experiences		Commitment		Job search intensity	
	95% CI	EFF	95% CI	EFF	95% CI	EFF
Country of residence	[.45, 1.09]	.75**	[-.20, .57]	.37*	[-.06, .45]	.24*

Note. * $k^2 \geq .01$; ** $k^2 \geq .09$; *** $k^2 \geq .25$

The effects for financial hardship did not include zeros. Therefore, hypothesis three is supported by the data. Financial hardship mediated the relationship between country of residence and unemployed people’s negative experiences, employment commitment, and job search intensity. A medium effect size was found for negative experiences ($k^2 \geq .09$), while effect sizes were small for employment commitment and job search intensity ($k^2 \geq .01$).

Discussion

There is a shortage of studies investigating unemployed people's experiences, work commitment, and job search behaviour. Overall, our understanding of the psychological consequences of unemployment following countries with varying unemployment support systems are limited (Nordenmark et al., 2006). This study partially fills this gap by comparing the psychological consequences of unemployment between countries with a well-developed (i.e., Belgium) and an underdeveloped (i.e., South Africa) unemployment support system.

The main objective of this study was to investigate whether Belgian and South African unemployed differed in terms of their negative experiences, employment commitment, and job search intensity, and whether financial hardship mediated the relationship between country of residence and unemployed people's experiences, commitment, and behaviour. Overall, the results are in line with our hypotheses. Country of residence indirectly influenced unemployed people's negative experiences, employment commitment, and job search intensity via financial hardship. Compared to the Belgian unemployed, the South African unemployed generally experienced their unemployment as more negative, were more committed towards employment, and displayed more intense job search behaviour. Belgium and South Africa however differ on various aspects, making it difficult to draw firm conclusions about which variables cause these observed differences. For instance, stigmatisation, degree of income inequality, level of unemployment, and the amount of labour market opportunities might also affect how people cope with unemployment across countries (Paul & Moser, 2009). Nonetheless, our results indicate that higher financial hardship among the South African unemployed at least partly explained the observed differences in experience, commitment, and behaviour between Belgium and South Africa.

Our findings complement other studies which consider financial strain to be one of the most important stressors during unemployment (Creed & Macintyre, 2001; Mckee-Ryan et al., 2005; Rantakeisu & Jönsson, 2003). Indeed, to be able to make a living is one of the most manifest functions of work (Jahoda, 1982). The financial strain that goes along with losing an income seems to negatively affect unemployed people's experiences, possibly because financial hardship incites a feeling of loss of personal control over one's life (Creed & Bartum, 2008; Fryer, 1986; Price et al., 2002). Moreover, financial strain might increase unemployed people's readiness to be engaged in paid work and foster their job search intensity, probably because paid employment is often the only way out of the precarious economic situation most of the unemployed find themselves in. However, this does not necessarily mean that unemployment benefits negatively influence unemployed people's employment commitment and job search intensity. In this respect, two

aspects need to be considered. First, despite of receiving financial support from the government, on average, the Belgian unemployed still scored above the midpoint on the employment commitment scale and around the midpoint on the job search intensity scale. Hence, they were still very motivated to be engaged in paid employment and sufficiently motivated to search for work. Second, according to Mohr and Otto (2011), there is no clear picture of how different levels of paid benefits exactly impact upon job search behaviour. While some scholars suggest that it is the subjective feeling of financial decline which incites job search behaviour (van Hooft *et al.*, 2004; Vuori & Vesalainen, 1999), Vinokur and Schul (2002) argue that this simultaneously goes along with more depressive symptoms which in time inhibit job search (Mohr & Otto, 2011). Indeed, unemployed people's experiences, work commitment and job search behaviour seem interrelated. Apart from financial hardship, higher work commitment may also increase unemployed people's negative experiences (McKee-Ryan *et al.*, 2005; Mohr & Otto, 2011; Nordenmark, 1999). Based on consistency theory (Grawe, 2004), Paul and Moser (2006) argue that this may be because of an incongruence between a person's level of employment commitment and his or her current employment situation. In a similar vein, studies suggest unsuccessful job search behaviour to influence unemployed people's experiences (McKee-Ryan *et al.*, 2005; Siegrist, 1996), while unemployed people's experiences and employment commitment are also determinants of (successful) job search behaviour (Kanfer *et al.*, 2001; Šverko *et al.*, 2008; Vinokur & Schul, 2002). Consequently, unemployment policies should take all three variables into account when targeting unemployment.

Limitations and Recommendations for Future Research

This study had some limitations. First, the cross-sectional nature of the study limits the interpretation of the present findings. No causal relationships between the independent variable, the mediator, and the dependent variables can be posited. Therefore, longitudinal research is needed to ascertain whether financial hardship actually causes differences in negative experiences, employment commitment, and job search intensity across countries.

Second, although the outcomes of our structural equivalence test justified the overall comparison between Belgium and South Africa, we did not control for within country differences that might exist in terms of status, discrimination, stigmatisation, and level of unemployment. For instance, according to Kingdon and Knight (2004), apartheid and discrimination might still play its role in South Africa. They found that one third of the gap in unemployment differences between cultural groups could not be explained by observed variables and argued that discrimination might explain the unobserved differ-

ences. Therefore, future research should rely on large samples which would allow studying the role of cultural differences and discrimination on unemployed people's experiences, employment commitment, and job search behaviour in South Africa by means of equivalent research constructs.

Next, the present sample was not representative for the total population of the Belgian and the South African unemployed. Belgian data were gathered in only one municipality in the Brussels area, while South African data were limited to the North West Province and did not include data from South African unemployed of Indian origin. Future research should rely on representative unemployment samples and needs to include all cultural groups. Furthermore, while the South African sample was gathered in 2006, the Belgium sample was gathered in 1998. This time difference might limit the comparability of both samples. However, the unemployment rates in South Africa and Belgium hardly differed between both time frames: South Africa faced more or less the same unemployment rate of around 26 per cent in 1998 as in 2006 at the time of data collection (Contogiannis, 2007; Kingdon & Knight, 2001), while Belgium faced an unemployment rate of around 9 per cent in 1998 versus 8.6 per cent in 2006 (EuroStat, 2010). Moreover, the Belgian unemployment support system underwent no major changes in this time period. Hence, we are confident that this difference in time frame did not distort our main results.

Finally, a self-report measurement instrument was used to collect the data. This may raise concerns regarding common method variance and social desirability. However, by carefully constructing our questionnaire (e.g., specific and concise questions, no bipolar numerical scale values), relying on voluntary participation by our respondents, and ensuring respondents' total anonymity we tried to minimise the risks owing to social desirability and common-method bias. A Harman's single-factor test moreover evidenced against common-method bias (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003).

Practical and Political Implications

Unemployment is a serious matter and should therefore prompt policy makers to limit its detrimental consequences to an absolute minimum.

Compared to South Africa, the Belgium state support system is rather comprehensive and well-developed. Fairly generous unemployment benefits restrict the risk of marginalisation and poverty for most of the Belgian unemployed. However, according to some policy makers, a drawback of this type of state support system might be that it cultivates inactivity, at least among some part of the unemployed. Especially the unemployed with both a weak economic and psychosocial need for work may adapt quite well to their new situation in time (Nordenmark & Strandh, 1999; Nordenmark et al., 2006).

Hence, labour market interventions should counter adaptation and inactivity among the unemployed. At the same time, the government should provide the unemployed with sufficient support to help them integrate into the labour market. In this respect, both structural and individual policy measures are recommended, which focus on job creation and enhancing unemployed people's skills and labour market knowledge. First, activating the unemployed only makes sense if enough jobs are available. Therefore, the government should stimulate job creation by taking a leading role in activating the labour market. Second, the unemployed could be supported in taking more initiative and in becoming more active in their re-employment efforts. In particular, job-seekers' skills, labour market knowledge, and self-evaluations (i.e., self-esteem and job search self-efficacy) should be enhanced (Kanfer et al., 2001; Vuori & Vesalainen, 1999).

Compared to Belgium, the situation in South Africa is far more problematic. Especially in South Africa where jobs are scarce and financial need is high, extremely low prospective returns to search may incite a downward spiral of sustained poverty. Here, unemployment policies should primarily counter economic deprivation and feelings of desperation among the unemployed (Nordenmark & Strandh, 1999). Obviously, on a structural level, more jobs are needed in order to alter the high unemployment and underemployment rates in South Africa (National Planning Commission, 2011). However, while the need for more cash transfers into poor households is urgent (National Planning Commission, 2011), job creation is a graduate and time consuming process. Therefore, installing a comprehensive South African state support system could make a huge difference in reducing both individual and household poverty, as Klasen and Woolard (2008) argue that South African unemployed largely depend upon parents and relatives for their economic survival. While this often drags the supporting households down into poverty, it also draws the unemployed away from future job opportunities (Klasen & Woolard, 2008). Next, on an individual level, policy measures should focus on strengthening unemployed people's coping skills by teaching them how to deal more effectively with the negative consequences of unemployment. This could be done by increasing unemployed people's job skills and labour market knowledge, and by enhancing their cognitive abilities and initiative-taking (Vuori and Vesalainen, 1999).

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